



DETERMINATION OF MERGER NOTIFICATION M/12/001 - OEP/Sonneborn

Section 21 of the Competition Act 2002

Proposed acquisition by One Equity Partners IV, L.P. of Sonneborn Refined Products B.V. and Sonneborn Inc.

Dated 22 March 2012

Introduction

1. On 28 February 2011, in accordance with section 18 of the Competition Act 2002 ("the Act"), the Authority received a notification of a proposed acquisition by OEP Pearl Holdings L.P. ("OEP Pearl Holdings") of 100% of the share capital of Sonneborn Refined Products B.V. ("Sonneborn BV") and Sonneborn Inc. ("Sonneborn US") from Sonneborn Holding LLC.

The Undertakings Involved

The Acquirer

2. OEP Pearl Holdings is controlled by OEP Pearl Holdings GP Ltd., which is owned and controlled by One Equity Partners IV L.P. ("OEP"). OEP is ultimately controlled by JPMorgan Chase & Co. ("JPMorgan Chase"). OEP manages direct private investment transactions for JPMorgan Chase. According to OEP, four of its portfolio companies make sales in the State, namely Genband Inc.¹, Constantia Packaging GmbH², Schoeller Arcs Systems³, and Systagenix.⁴
3. JPMorgan Chase serves its customers under its Chase brand ("Chase Group") and JPMorgan brand ("JPMorgan Group"). The Chase Group provides consumer and commercial banking businesses in the United States. The JPMorgan Group provides investment banking, asset management, treasury services, worldwide securities services, private banking and private client services to corporations, governments, wealthy individuals and institutional investors worldwide. As a result of the proposed transaction, JPMorgan Chase will acquire indirect sole control of Sonneborn US and Sonneborn BV.
4. For the financial year ending 31 December 2010, JPMorgan Chase's worldwide turnover was €77,463 million. JPMorgan Chase's turnover in the State for the same period was €113 million.

The Vendor - Sonneborn Holding LLC

¹ Genband develops and supplies multimedia application and infrastructure products for fixed wire line, mobile, and cable network service providers.

² Constantia Packaging sells labels and packaging products.

³ Schoeller Arcs Systems sells plastic returnable packaging products for materials handling.

⁴ Systagenix manufactures and supplies wound healing products to health care professionals.

5. Sonneborn Holding LLC is owned and controlled by Sun Sonneborn LLC, which is ultimately owned and controlled by Sun Capital Partners Inc. ("Sun Capital"). Sun Capital is a private investment firm focused on leveraged buyouts, equity, debt and other investments in companies.

The Target Businesses - Sonneborn US and Sonneborn BV

6. Sonneborn US and Sonneborn BV are wholly-owned subsidiaries of Sonneborn Holding LLC. Both subsidiaries are involved in the manufacture of high-purity specialty hydrocarbon products (which are a by-product of base oil refining), including white oils⁵, petrolatums⁶, microcrystalline waxes⁷, compressor lubricants, sodium sulfonates and expets.
7. The Sonneborn BV and Sonneborn US accounts are consolidated with those of the other companies within Sonneborn Holding LLC. For the financial year ending 31 December 2010, Sonneborn Holding LLC's worldwide turnover was €255 million. Sonneborn Holding LLC's turnover in the State for the same period was €6.8 million.

Rationale for the Proposed Acquisition

8. According to OEP, the proposed transaction will allow it to strengthen the diversity of its investment portfolio business by entering into the production and distribution of specialty hydrocarbons refined from base oil where it currently is not active.

Third Party Submissions

9. No submission was received.

Analysis

10. There is no horizontal or vertical overlap between the parties in the State. None of the portfolio companies owned by JPMorgan Chase or OEP, or any fund managed or controlled by JPMorgan Chase or OEP, manufacture or sell high-purity specialty hydrocarbon products either worldwide or in the island of Ireland. Furthermore, based on the information provided by the parties, the Authority has no reason to believe that any of the portfolio companies owned by JPMorgan Chase or OEP are potential entrants into the manufacture and sale of high-purity specialty hydrocarbon products.
11. In addition, none of the portfolio companies of JPMorgan Chase or OEP, or any fund managed or controlled by JPMorgan Chase or OEP, are customers or potential customers of Sonneborn Holding LLC or its subsidiaries in the island of Ireland.
12. In light of the above, the Authority considers that the proposed transaction will not raise any competition concerns in the State.

⁵ White oils are used as base ingredients for lotions, baby oils, and other personal care products.

⁶ Petrolatums are used as formulation bases to provide moisture resistance and lubricity for lotions, creams, ointments and cleaners.

⁷ Microcrystalline waxes are used in cheese coatings, paper lamination and coatings, dental applications, candles, chewing-gum bases, ointments and other personal care products.

DETERMINATION

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition whereby OEP Pearl Holdings L.P. will acquire sole control of Sonneborn Inc. and Sonneborn Refined Products B.V. from Sonneborn Holding LLC will not be to substantially lessen competition in markets for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Stephen Calkins

Member of the Competition Authority

Director, Mergers Division